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McDougall - Republican Party in Ohio.

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AN OPEN LETTER

TO THE REPUBLICANS AND INDEPENDENT CITIZENS
OF OHIO.

THE REPUBLICAN PARTY IN OHIO

NEEDED REFORMS

IN TAXATION,
IN LETTING OF PUBLIC FRANCHISES,
IN CITY ADMINISTRATION.

UNITED STATES SENATOR, COXISM, AND
MACHINE DICTATION.

BY

THOS. McDOUGALL.

CINCINNATI:
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To the Republicans and Independent Citizens of Ohio.

Let us talk together over public affairs for a little while. It is our privilege, our right, and sometimes our duty to talk to each other. This is a good time for us to talk to each other. We have no campaign in progress, no candidates have been nominated, and we have the leisure of winter in which to consider the questions which vitally affect us.

THE IMPORTANCE OF STATE AFFAIRS.

For a number of years past the public mind has been so absorbed with National affairs, the schemes of politicians and the rivalries of contending factions in the respective parties, and the importance of National issues, that little, if any attention has been given to the equally if not more important matters of State affairs. The time has come for the people of the State of Ohio to give serious attention to State and municipal affairs, and their attention is not to be diverted, and ought not to be, by the personal ambition of candidates for office even though they may be such high offices as the Presidency of the United States or the United States Senate.

REASONS AND SUBJECTS FOR CONSIDERATION.

The extraordinary financial and business depression of the past two years has created a condition of affairs that merits the highest order of statesmanship to meet it and to provide

against its evils. It is undoubtedly true that the country just now is profoundly disgusted and dissatisfied with the incompetency of the Democratic party in national affairs, and that the prospects of the return of the Republican party to power in National affairs are very bright, and that our party is likely in 1896 to enter upon the control of National affairs and to have given to it a long lease of power. Power brings responsibility. Power often brings a misuse of power and attracts to the party in power that class of men who are in politics every minute for all there is in it to them personally. It brings to the front that obnoxious and abhorrent machine which recognizes no interests but its own; whose wishes, desires and ambitions control absolutely reason, conscience, and public interest; which is remorseless, selfish and satanic in its tactics, methods, and warfare on everything that interferes with its personal interests; that uses or misuses the public press in every form to keep itself before the public and to disguise its real objects, while at the same time it utterly fails to work out beneficial reforms.

There are three directions in which this State needs reform. These are, taxation, the administration of justice, and the government or administration of cities. Let me call your attention to at least two of these :

REFORMS IN TAXATION.

FIRST:—Needed reforms in taxation: The tax duplicate of the State of Ohio for the year 1893 aggregated \$1,752,990,930, of which \$1,184,423,675 was realty and \$568,567,255 was personalty; in round figures it was \$1,750,000,000, of which \$1,200,000,000 were realty and the balance \$550,000,000 in personalty. It is safe to say that the real estate of the State of Ohio to-day,—take the entire real estate of the State in the aggregate,—is not worth any more than it was twenty years ago. It is equally safe to say that the net income from that real estate is as small if not smaller than at any time in the past twenty years, and it is equally safe to say that the burden of taxation thereon is as great, if not greater than at any time in the history of the State. The actual value of the real estate of the State of Ohio, city and country, is not any greater to-day than it was in 1870, notwithstanding the increase in certain portions of the State. This has been more than offset in the decrease in other parts of the State, especially in the value of farm realty. And yet the real estate of Ohio carries more than two-thirds of the total burden of taxation. It is undoubtedly true that the aggregate wealth of the State of Ohio is at least twice greater to-day than it was twenty-five years ago, and that the increased wealth of the State is not in real estate proper, and on the whole produces, in what it is invested, a very much larger net income than real estate does. The great proportion of that increased wealth is not on the tax duplicate; is not contributing to the burdens of State and municipal government, and yet is enjoying a net income at least twice as great as the real estate, which is thus burdened.

BURDENS OF FARM PROPERTY.

It is also to be noted that more

than half of the real estate of the State of Ohio is farm property, and that the farm property, real and personal of this State, carries a greater burden of taxation in proportion to its selling value, and produces a smaller net income than any other property in the State. General Grosvenor, in a communication made a few days ago to the Athens County *Farmers' Institute*, says:

“We have gone on heaping up taxation upon farms and houses and horses and cattle, and things which are in sight, until the burden has become a grievous one and hard to bear. The depreciation in the prices of farm products has more than kept pace with the appreciation of public expenditures, and we find that not only taxes in the aggregate are becoming higher, but the sources of revenue are shrinking.”

We have been confronted with this condition of affairs for years; but the public mind has been so diverted from that condition by the clamor of contending political factions, by the ambitions of men for public office, by national issues, etc., that the evil has remained unremedied.

CONSTITUTION NEEDS NO CHANGE.

As we view it, no change is needed in the Constitution of the State of Ohio on the subject of taxation. The legislative power of the State of Ohio is co-extensive with the subjects of taxation. It may tax under the present constitution every subject of taxation in the form of property and business. Reform is not needed so much in the subjects of taxation as it is in the method of valuing and assessing those subjects. If the property of the State, pursuant to the mandate of the constitution, were taxed according to its true value in money, measured by its selling value, the revenues of the State would be abundantly increased, and gross injustice

would be remedied and the tax rate largely reduced.

THE NICHOLS LAW.

In 1889 a bill was introduced into the legislature of Ohio providing for the taxation of Telegraph, Telephone and Express companies, which was based on the just, equitable and constitutional principle, that the property of these quasi-public corporations should be assessed, for the purposes of taxation, at its true value as evidenced by the selling value of their capital stock and other evidence. That bill failed to pass. It reappeared in the Legislature of 1890, and again failed to pass. In 1893 it passed and was known as the Nichols bill. It included, prior to its passage, Street Railways, Gas Companies and Electric Light Companies. As it passed the Senate, it included Express, Telegraph, Telephone and Street Railway Companies. In the House it was amended by including, in addition to these companies, Transfer, Freight Line, Pipe Line Gas and Electric Light Companies. In conference, all the companies were eliminated from it save Express, Telegraph and Telephone Companies, and in that form the bill was passed.

THE LOSS TO THE STATE.

If the bill as it passed the House had been enacted into a law, so that Street Railways, Gas and Electric Light Companies had been included in its provision, the tax duplicate of the State of Ohio would have been from fifty to one hundred millions of dollars greater than it is to day, and no injustice of any kind would have been done these companies. How, and by whom and by what influence were the Street Railroads, the Gas Companies and the Electric Light Companies stricken from the bill? Whose political influence was employed by

these companies? Measured by the selling value of the capital stock of these companies, that property is not assessed for taxation at an average of over ten per cent. while the real estate, including the farms of Ohio, averages, the State over, not less than sixty per cent. of its selling value as assessed for taxation; and the net income of that real estate is not one-half the income of Street Railways, Gas and Electric Light Companies.

HOW AND WHO?

I repeat: Why did the Legislature of the State of Ohio, under the control of our party, strike out of the bill Street Railways, Gas and Electric Light companies? What influences were used by those companies, political or otherwise, to accomplish this result and to escape this just share of taxation, which in the past has been borne and is now borne by the over-taxed real and personal property of the State.

Let us examine into the history of this legislation in these past few years. Let us not forget that our party is responsible for the failure to enact into legislation this needed reform in the valuation of property, and let us hold to strict accountability the members of the Legislature who contributed to the defeat of these measures, and also those whose political influence was at the service of these corporations to that end.

THE SUPREME COURT AND THE LAW.

The Supreme Court of Ohio has upheld by unanimous decision the constitutionality of the rule of valuation embodied in the Nichols law. It has said:

“The market value of property is what it will bring when sold as such property is ordinarily sold in the community where it is situated; and the fact that it is its market value cannot

be questioned because attributed somewhat to good will, franchise, skillful management of the property, or any other legitimate agency.

It will, we think, be conceded that the earning capacity of real estate owned by individuals may be considered in fixing its value for taxation. Take an office-building on a prominent street in one of our large cities. It will not be doubted, that by care in the selection of tenants, and in the preservation of the reputation of the building, by superior elevator service, by vigilance in guarding and protecting the property, by the exercise of skill and knowledge in the general management of the premises, a good will of the establishment will be promoted which will tend to an extra increase in the earning capacity and value of the building. For the purpose of taxation, it would be none the less true value in money of the building, because contributed to by the operative causes that gave rise to the good will. We discover no satisfactory reason why the same rule should not apply to the valuation of corporate property—why the selling value of the capital stock, as affected by the good will of the business, should be excluded from the consideration of the board of appraisers and assessors under the Nichols Law, charged with the valuation of corporate property in this State, especially as the capital stock when paid up, practically represents, at least, an equal value of the corporate property.”

THE COMING RULE OF VALUING CORPORATE PROPERTY.

Sooner or later this rule of valuation ought to be applied to all of the corporate property in this State, and when so applied, no injustice will be done to that class of property, and the grand duplicate of the State of

Ohio will be, or ought to be under a fair and just administration of the law, double what it now is, and the rate of taxation correspondingly reduced, and the burden removed from the property which for so long a time has been unjustly assessed.

THE LAST LEGISLATURE AND TAXATION.

It is undoubtedly true that the last legislature endeavored to find sources of revenue to increase the revenue of the State by passing laws to subject certain properties and rights to taxation which had hitherto, in their judgment, escaped their fair share of the burden. They were driven to this by the necessities of the State, but they failed to select subjects which would have made a more substantial contribution to the revenue, and at the same time benefit the State government. Why did they not increase the tax on saloons from \$250 to \$500? The sum of five hundred dollars would neither be unjust nor oppressive. It would undoubtedly close from three to five thousand saloons in the State of Ohio. A five hundred dollar tax would not only have been beneficial in its effects in the matter of good government, but it would have produced all the needed revenue to the State. Why do the political leaders in both parties refuse to increase the tax on saloons?

SALOONS FAVORED—FARMS BURDENED.

Why is it that the property of the State that produces the least income is assessed with the largest burden of taxation? What is to be thought of the leadership that thus cares for public interests; that uses its political influence to keep corporate property from bearing its fair share of taxation, and to save the saloons from an increase in the present tax which they ought to bear, and which if they did pay would not compensate for one-half of the burdens which they impose on

the State, and their evils from which the people suffer?

BANQUETS AND SPEECHES.

We have had two banquets in our city, one of certain members of the legislature, the other of certain leaders in our party. You will look in vain in the speeches at either banquet for a single suggestion, practical or definite for the relief of the over-taxed property of this State, and in the direction of needed reform in taxation—glittering generalities alone. Party harmony, in order to facilitate the personal ambitions of certain leaders, is called for, but the best interests of the people, needed reform in taxation, needed reforms in the administration of justice and our municipalities, are absent from all of these addresses.

POLITICAL PARTIES, MACHINES AND PURPOSES.

Can it be that parties exist solely for the purpose of the so-called harmony that means absolute submission to one faction or war to the knife if its demands are not acceded to? Can it be that the Republican party, which ought to be the leader in all needed reforms, exists solely for the purpose of serving the personal ambition of certain leaders? There are thousands and tens of thousands of men who are as loyal Republicans as are to be found, who are not the property of any man, who belong to the Republican party because they believe it best serves the interests of the country. It ceases to serve those interests when those in control of its machinery and policy are more concerned with their personal ambitions than with the highest welfare of the people and needed reforms in State government. The people will retire our party from power and seek some other agents if we fail to work out the reform needed,

PUBLIC FRANCHISES. HOW WE ARE ROBBED.

This brings me to consider another source of public revenue which belongs to the people, but of which the people have been robbed; and that is the matter of public franchises. I repeat: This State and the citizens of this State are systematically, I might say daily, robbed of the value of public franchises that belong to them. I affirm that if the City of Cincinnati derived her legitimate share of the value of the public franchises she grants in her streets to Street Railways, Telegraph, Telephone, Gas and Electric Light and Power Companies that her net annual revenue from these sources would not be less than \$1,000,000, and that our tax rate ought not to be over one per cent. In the matter of these franchises, to use a common phrase, we are not "in it" with other cities in other countries.

COMPARISONS WITH OTHER CITIES.

Let me take what the *Review of Reviews* of August, 1894, called an Object Lesson in Municipal Government in the City of Toronto, Canada. She has a Street Railway system. By the kindness of her Mayor, I recently received a copy of the contract between the City of Toronto and the purchaser of her Street Railway franchise, which was entered into September 1st, 1891. Toronto is a city of two hundred thousand people. She has one system of Street Railroads operated by one company. What are the terms of the grant? What does the City of Toronto receive, and what does the Company operating the Street Railway system receive? In 1891 the then existing Street Railway franchise expired. It was a horse-car system. The City by the terms of the old franchise had the right to purchase the entire plant of

that Street Railway Company, which she did at a price fixed by arbitration, in round figures \$1,500,000. The property consisted of the roadbed, the horses, cars, barns, and other property. The city then advertised for bids at public auction for a twenty year grant,—with a ten year extension in addition if the Legislature should authorize the city to grant it,—for the exclusive right to operate her Street Railway system; and these are the terms that she advertised:

1st. The purchaser was to pay the million and a half dollars that the city had agreed to pay to the old company.

2nd. The purchaser should pay an annual rental of \$800.00 per mile for every mile of single track and \$1,600 per mile for every mile of double track during the existence of the grant:

3rd. The rate of cash fare should be five cents; twenty-five tickets should be sold for one dollar, *making a four cent fare*; eight tickets should be sold for twenty-five cents, to be used from the time the cars started in the morning until 8 a. m., and between 5 and 6:30 p. m., called Working Men's ticket. *This is a three cent fare*. School children should be carried on tickets ten for twenty-five cents, being a *two and one-half cent fare* between 8 o'clock in the morning and 5 in the evening; and the Company should sell six tickets for a quarter, good at any time. Also a complete system of transfers.

4th. The Company was to change the entire horse car system to trolley.

I will not enumerate the other provisions of this contract except to say, that the company in acquiring the franchise was prohibited from running cars on Sunday, so that it was a six and not a seven day franchise that was sold. The following was the bid

of the highest bidder, which was accepted, and under it the system is being operated to-day:

"TORONTO, June 25th, 1891.

To the Corporation of the City of Toronto and to Alfred McDougall, Esq., Chairman of the Street Railway Committee:

We, George W. Kiely, William McKenzie and Henry A. Everett, offer to buy the privilege of operating surface street railways in the City of Toronto on the basis of the amended conditions and to pay the following rates of percentages of annual gross receipts, namely:

(1)	Up to \$1,000,000.....	8	per cent
(2)	From 1,000,000 to \$1,500,000.....	10	" "
(3)	" 1,500,000 to 2,000,000.....	12	" "
(4)	" 2,000,000 to 3,000,000.....	15	" "
	All over \$3,000,000.....	20	" "

And we make this offer on condition that it shall be disposed of without any unnecessary delay.

Yours respectfully,
(Signed) G. W. KIELY,
WM. MCKENZIE,
H. A. EVERETT."

CINCINNATI VS. TORONTO.

Compare this with the grant made to the Cincinnati Street Railway Company in 1893, and under which the greater portion of the Street Railway System of this city is being operated. The Toronto grant was a six-day grant; the grant here is for seven days. The Toronto grant was cash, five cents; tickets, four cents; morning and evening, three cents; school children, two and one-half cents. The grant here is a uniform cash fare of five cents. The total revenue derived by the City of Cincinnati from all of her street railways for the year 1894 was less than sixty thousand dollars. The total mileage in the City of Cincinnati of street car lines is one hundred and fifty (150) miles. At eight hundred (\$800) dollars per mile annual rental, as in the City of Toronto, this would yield the City of Cincinnati one hundred and twenty

thousand (\$120,000) dollars. Assuming the annual gross receipts of all the street railways to be three million (\$3,000,000) dollars in the City of Cincinnati, the total annual income of the city from gross receipts alone on the Toronto basis would be three hundred and forty thousand (\$340,000) dollars. Add to this the annual mileage rental and the difference which the people pay—of at least one-fifth—being the difference between a five cent cash fare and a four, three, and two and one-half cent ticket, and the difference between the value of the grants in the City of Cincinnati, so far as the income derived from the city and the people is concerned, and that of the City of Toronto on the same basis, is over seven hundred thousand (\$700,000) dollars per annum.

HOW SUCH VALUABLE GRANTS ARE ACQUIRED.

Let the citizens of Ohio investigate how these companies acquire such valuable grants in the respective cities of the State. Franchises are granted to companies almost daily in the respective Ohio cities without the slightest compensation being derived by the city or by the State. How are these franchises secured? From whom are they secured? Who do the companies employ, and what influences do they use for the purpose of securing from the State and its cities, practically without compensation, such valuable grants.

TELEPHONE FRANCHISES.

Let me call attention to another class of franchises. About the same time that the City of Toronto entered into her contract for the operation of her street railway system, she made on the 17th of September, 1891, a contract with the Bell Telephone Company to give them an exclusive franchise in Toronto for the use of

the telephone for five years, from Sep. 1, 1891. By that contract the Bell Telephone Company,—which is the same so far as instruments, service and the control of the parent company are concerned, as we have in all our Ohio cities,—agreed to put all her lines in the center of the city in sub-ways and to provide free of cost to the city, sufficient room in the sub-ways for the city fire alarm. She agreed to pay to the city annually five (5) per cent. of her gross receipts, and that the annual rate for telephones in dwelling houses should be *twenty-five* (\$25) *dollars*, and in business houses *forty-five* (\$45) *dollars*; and that the service should be on metallic circuits.

CINCINNATI RATES.

The average rate in the City of Cincinnati for residences is about sixty-five (\$65.) dollars, and for business houses one hundred (\$100.) dollars, so that in a city one-third larger than Toronto, the telephone rates are more than double, and the annual income of the telephone company is correspondingly doubled. Why should the City of Toronto be able to obtain telephone service at almost one-third the rate that is paid in Ohio cities, and at the same time derive five (5) per cent. on gross receipts while, the City of Cincinnati, and other cities of Ohio do not derive one cent? And all this from practically the same telephone company.

No amendment is needed to the constitution of Ohio to reach the subject of public franchises.

HOW FRANCHISES SHOULD BE DISPOSED OF.

All public franchises ought to be awarded to the highest bidder at public letting; the duration of the franchise, and the terms upon which the franchise is to be operated should be

fixed, and the bidder limited to the payment of a certain sum per annum for the right to exercise the franchise. At the last legislature a bill was introduced, providing for the letting of all franchises at public auction. Why was it not passed? Who secured its defeat? What political and other influences were employed to defeat it? Who were the men that arrayed themselves against the public interests and killed that bill? Republicans of Ohio and independant citizens, see to it that the men who are sent to the next Legislature are men who will be loyal to the interests of the people and not susceptible to other influences. Why are the people of Ohio daily and systematically robbed of the value of these franchises? Why do other cities in other countries pursue the wise business policy of securing to the people the value of the franchises which they grant? Why is it that our legislatures are so susceptible to the influences that work against the people? Will you place in office, either in State or Federal legislatures, men whose political influence can be hired or used against the public welfare and in the interest of private corporations?

LEGISLATIVE EXPERIENCE MEETING.

It would have been an interesting banquet of the members of the Legislature, if they had converted it into an experience meeting and told us how and why, and by what means street railway, gas and electric light companies were kept out under the operation of the Nichols Law, and why the bill providing for the letting of all franchises at public auction never saw the light of day.

RATE OF TAXATION IN OHIO.

There is no good reason why the rate of taxation in Ohio should exceed one per cent. The legitimate sources

of revenue, especially the franchises, of the State and the minor agencies of the State should provide abundant revenue for all public expenditures if they were not squandered — given away to private corporations, who, in order to secure them, employ the necessary political influences to accomplish their purpose. Can any reasonable man tell us why the cities of Cincinnati, Cleveland, Columbus, Toledo, Dayton and Springfield, should not enjoy what the City of Toronto, Canada, has done in the matter of street railway and telephone service? Why should not our cities receive as great an income from their franchises as the City of Toronto? Take the case of Gas, Telegraph, Telephone, and Electric Light & Power Companies. They use the streets of the city as the premises on which they do business, and they do not pay rent for the premises thus used. Why should the public streets be occupied by any corporation for profit, as the premises on which these corporations do their business, and the public not receive the benefit of the occupancy? Why should capital invested in these quasi public corporations double and quadruple itself without effort, energy or skill, and pay a handsome income on the increased value, simply by reason of the franchises given by the power creating the grant, while the city is deprived of her just share of revenue? Money invested in manufacturing, in banking, or in any other business does not increase in capital or income as does money invested in public franchises in this country, and why? Simply because the value that belongs to the state and to the people is given to private individuals without any compensation to the state.

This communication is likely to be lengthy, otherwise I could cite numerous other instances to demonstrate the

absolute folly that has pervaded the business management of this state, and her cities in the matter of public franchises. How long will the real estate interests of the state, which are burdened beyond endurance with taxation, permit these sources of revenue to escape? How long will the farm interests of this state permit the members of the legislature to barter away these franchises?

It is enough now to say that the fireworks of candidates for office, whether for the Presidency, United States Senate, or the Legislature, and the clamor of the machine for harmony, should not obscure the necessity for reform in taxation and the letting of public franchises.

REFORM IN CITY GOVERNMENT.

In the matter of needed reforms in municipal government, let me take this City of Cincinnati as an object lesson. I have already called attention to the value of the public franchises, especially those granted to corporations that occupy the streets of the city as the premises on which they do their business, such as Street Railways, Gas, Telegraph, Telephone and Electric Light and Power Companies. The reckless manner in which these franchises are granted, and the great loss to the state and to the cities is already manifest by the comparison with what is derived from similar grants in other cities.

CINCINNATI BOARD OF ADMINISTRATION.

In this city we have what is called a Board of Administration, whose members are appointed by the Mayor of the city, nominally two Republicans and two Democrats; actually and absolutely in the service of the dominant Cox machine in politics. This Board of Administration has more extraordinary legislative and ad-

ministrative powers than any Board that has ever existed in the State of Ohio, and without restriction, limitation or accountability. All of its acts within the limit of its powers are free from supervision by the City Board of Legislation or the Mayor of the City, or any other authority. The extent of its power and patronage may be measured by the actual amount of money which it has the sole authority to expend. According to the report of its president for the year 1894, the actual amount of money expended by it in street cleaning, repairs, City Infirmary, parks, sewers, sanitary, engineering, Water-works, and its own affairs, exceeded one and a half millions (\$1,500,000) of dollars; and the actual amount of money in work ordered on new streets, sewers and sidewalks exceeded two million (\$2,000,000) dollars; the city's portion of which latter expenditure of over two millions exceeded seven hundred and fifty thousand (\$750,000) dollars, which amount is paid by issuing bonds, thus increasing the bonded debt of the city for these matters alone to that extent. In this Board is vested the granting of the Street Railroad franchises by extensions of grants without any supervision, limitation or control. In 1893 it made certain grants to the controlling Street Railroad Company in this city, which were worth to the company receiving them, millions of dollars; from which the city ought to receive, on the basis of the Toronto grant, an annual income of at least half a million dollars, but from which the city did not receive in 1894 one-tenth of that sum. The City of Cincinnati will not receive from its entire Street Railway system, from all the companies using its streets in 1895, a revenue to exceed one hundred thousand (\$100,000) dollars. She has in the city proper not less than

one hundred and fifty (150) miles of single line. At an annual rental of eight hundred (\$800) dollars per mile paid by the Toronto Street Railway Company, this would yield on the mileage rental alone one hundred and twenty thousand (\$120,000) dollars per annum. The gross receipts of the Street Railway Companies of this city cannot be less than three million (\$3,000,000) dollars. On the basis of the Toronto grant of the percentage of gross receipts, the annual payment would be three hundred and forty thousand (\$340,000) dollars, making a total of mileage rental and gross receipts of four hundred and sixty thousand (\$460,000) dollars per annum. The companies here receive a uniform fare of five cents cash, whereas the Toronto company sells tickets twenty-five (25) for one dollar (\$1.00), which is a four (4) cent fare, and in the morning and evening a three (3) cent fare; so that the people of this city pay at least one-fifth more to the companies here, which is a contribution by them of not less than two hundred and fifty thousand (\$250,000) dollars per annum, which is to be added to the sum of four hundred and sixty thousand (\$460,000) dollars of rental and receipts. It is to be borne in mind also, that this is a city one-third larger than Toronto; and further, that the Toronto franchise was for six days in the week, whereas the Cincinnati franchises are for seven days in the week. This Board of Administration, although fully advised as to the value of these grants, and although under no compulsion to make the grants, and although appealed to, to refer the whole matter to the legislature of Ohio, so as to provide for competition by making these grants matters of public letting, made these grants to the existing private corporations, and the people were powerless to prevent

their action. Instead of a revenue of a half million dollars, per annum from these grants, which the City of Cincinnati ought to enjoy, the city will not receive during the life of the grants to exceed one hundred thousand (\$100,000) dollars per annum, measured by her experience for 1894, and her estimate for 1895.

FRANCHISES GIVEN AWAY.

Franchises have been granted to Long Distance Telephone Companies, and Electric Light and Power Companies to use the streets without the slightest compensation being provided for to the city or to the state; and now that the city might derive the benefit of competition in its telephone and other service, this Board has the power to lay such restrictions on new companies as to practically give existing companies the exclusive monopoly of the city. The Legislature of the State of Ohio should, at its next session, take this whole subject of franchises under consideration, to the end that these practically irresponsible boards, not elected by the people, should be deprived of the exclusive power to throw away valuable grants, and the city and the State should be secured the full value of the franchises she awards at public letting within her bounds.

NEW IMPROVEMENTS EXCESSIVE.

Notwithstanding the extraordinary financial depression of 1893 and 1894, and notwithstanding the fact that the real estate of the city is less productive than at any time in the past twenty years, this Board continues improvements in streets, sewers and sidewalks on a scale utterly unwarranted, and without the slightest regard to the burden imposed upon those specially assessed for these improvements, and the increased bonded debt of the city. Over two millions of

work done or ordered by this Board in 1894 on streets, sewers and sidewalks, every dollar of which must be paid by the tax-payers, and that at a time when the tax rate of the city is about as high as it has ever been in its history, and when property has been less productive than at any time within the last twenty years. And yet the powers of this Board are so unlimited, so free from restriction, that those who are affected by its action are powerless to prevent it.

I need not say that a Board with the power to expend from three million to five million dollars per annum, without restriction or limitation, and not elected by the people, appointed solely by the Mayor of the city, is not the best method of promoting purity in city government and economical and efficient administration of affairs. It becomes in the hands of unscrupulous partisans who are in politics for personal ends, a huge machine, and sooner or later destroys the party in whose interest it is said to be wielded, and becomes obnoxious and abhorrent to every good citizen. The franchises granted to the Street Railroad of this city, of such value and for which the city receives such a miserable pittance, were granted under a system that ought to be reformed. It would be an interesting inquiry to know why the Board granted these franchises to a private corporation for profit, and to know whose services and abilities were persuasive in securing to that corporation these grants, in the light of the information before the Board as to the value of the grants and in view of the appeal to refer the entire matter to the legislature of Ohio for power to make these grants matters of public letting to the highest bidder.

THE NEXT LEGISLATURE.

The greatest care is needed by the

citizens of Ohio in the selection of members to the legislature, whether in Democratic or Republican counties. The time has come for the people of this state to arrest the process of throwing away valuable franchises to private corporations, secured through political influence or otherwise. The revenues of this State do not keep pace with its legitimate expenditures, and the reason is that legitimate sources of revenue in the matter of public franchises and otherwise, are disposed of on the principle that what is everybody's business is nobody's business, and those selected to represent the public interest are too often persuaded in other directions.

A notable illustration of this was the grant, without competition, by the last legislature of forty-two miles of public canal to a private corporation without public letting.

I have limited my suggestions touching reforms in municipal government to the matter of public franchises and the expenditure of public moneys in other directions.

POLITICS—U. S. SENATOR.

Let me speak now touching a matter purely political. The campaign of 1895 will be distinctively a state and not a national campaign. The only thing to give it a national character will be the election of a United States Senator to be chosen by the Legislature. That duty, by the federal constitution as well as by the state, is cast upon the legislature that will be elected in November, 1895. To the ordinary mind it would seem wise and good politics to leave the selection of the United States Senator to the body charged with that selection, and that its duties should not be foreclosed by a political machine for its personal ends, or by the ambition of political aspirants to that and other offices. It

would seem to be wise politics to have no specific candidate on the part of either party for that office in advance of the election of the legislature. To have such a candidate is to carry the burden of his record in the campaign, is to put the party that selects him on the defensive. It is to invite the other party to discuss his past record and career; whom he has served—himself, or the public; his fitness for that high office, his character, his associates in political management; his relation to the machine in his party; his abilities, his temper, his wisdom; his conservative qualities that would entitle him to sit in the Senate of the United States as a fit successor to a Wade, a Garfield, a Matthews, a Thurman or a Pendleton. Each party will have the right in the event of such a foreclosure of the position, to inquire what are the views of the candidate as to the silver question, as to the tariff question, as to the other great questions at issue in national affairs; and the party thus foreclosing would be compelled to take on itself the risk of all the animosities, dislikes and objections which voters had to the specific candidate thus selected, and of their expression by refusing to support legislative candidates so pledged.

THE CONDITION OF OUR PARTY.

An extraordinary condition of affairs seems to prevail in the Republican party. We are told by a number of newspapers, and a number of so-called leaders who have had themselves interviewed, or have been interviewed, that three-fourths of the Republican party at least are in favor of a certain candidate. Who authorized these papers and these men—some of them terrorized or hypnotized cuckoos of an obnoxious machine—to speak for three-fourths of the Republican Party in Ohio, and how and when did they

ascertain the views of three-fourths of the people? Neither the newspapers nor the gentlemen themselves have furnished the information.

But we are further told that unless the Governor of this state shall not only say that he is not a candidate for the Senatorship, but is in favor of this other candidate, he cannot have a united delegation from Ohio for him as a candidate for President before the national convention in '96. This is a most extraordinary position, and sounds like the threat of the political highwayman, and even to a child in politics seems to be consummate folly. The child might ask, why not reverse the position and say—unless this candidate for U. S. Senator and his friends will declare they are for the Governor, for the Presidency, then this candidate cannot be U. S. Senator. Are declarations and preferences to be all on one side? Is it not consummate folly to have declarations or preferences, with threats, on either side?

THE TERRORISM AND HYPNOTISM OF COXISM.

Some of us who have declined to be terrorized and hypnotized into the support of such a policy, have been assailed by the cuckoos of the machine and their part of the press as "mischief makers." We are told that the test of loyalty to the Republican party in Ohio for the year 1895, is the preference for, and the determination to support a certain candidate for the United States Senate, and unless he is so supported to the exclusion of all others in advance of the election of the legislature, whose duty it is to elect the candidate, then we are to have a rupture in the party; and those of us who may have other preferences are traitors to and disturbers of the so-called harmony of the party. Coxism

knows no right of preference save submission to its will. All who thus differ are to be assailed, belittled and lied about, and those who will not support this candidate, cannot be nominated for the legislature. The insanity and selfishness of such political folly are only paralleled by the insanity and selfishness of the political folly that peddled the ballot box forgery in 1889, on the unsupported evidence of a confessed criminal, as the means by which the Republicans were to elect their Governor, and defeat the Democratic candidate in that year.

majority of the conscience and the intelligence of the country.

Coxism has selected this rallying cry of a certain candidate for the Senatorship of the United States, for the purpose of securing to itself the control of the legislature in the interest of its schemes. It sought to do this in 1891 and was defeated. Give it the control of the legislature in 1895, and the control of the party machinery, and it will inevitably lead the Republican party to defeat, as it has done in the past.

SPRING ELECTION OF 1894.

TO WHOM DOES OUR PARTY BELONG?

When did the great Republican party of Ohio become the property of any man or any machine? There are thousands and tens of thousands of Republicans in Ohio without whose support the Republican party never did win, and never will win, who are not the property of any man, and to whom the policy of the machine, that in the fireworks of so-called harmony, seeks to foreclose the action of the Legislature, and to dominate and control the intelligent judgment of the State, is obnoxious and abhorrent. This machine, which uses and misuses the press, by fake interviews and false stories, which is irresponsible, remorseless and conscienceless in many of its methods, has on several occasions brought the party into sore straits, and in 1889, lost the state to the party, including the Governorship and the United States Senatorship. It is a machine that knows no harmony save and except absolute submission to its demands. It cries, "peace, peace," when there is no peace. It destroys the liberty of action, and independence and self-respect which has made the Republican party hitherto the party of the

In the Spring of 1894, this machine had become so obnoxious to the intelligence of this city that it invited its own defeat, and an appeal was made to some of us to save our party from the consequences of the folly of the machine. We responded to that appeal, not because we did not consider the machine and its methods abhorrent, but we considered the method selected for its defeat as only presenting a choice of machines, as the mere substitution of an irresponsible and more obnoxious machine for one that might be controlled to some extent, and eventually destroyed by our party.

The twenty thousand votes that were cast for Theodore Horstman for Mayor, in this city in the Spring of 1894, were not cast for Horstman personally, but as a protest against that machine. The views of these twenty thousand citizens have not changed as to Coxism, and the Republicans of Ohio might as well understand now as at any other time, that thousands and tens of thousands of Republicans of this city and this state regard the Cox machine that under the guise of this candidate for the U. S. Senate is seeking to extend its opera-

tions over the entire state, as fatal to the party.

HOW WE MAY MERIT DEFEAT.

One hundred and thirty thousand Democrats in Ohio, it is said, stayed at home last fall because of dissatisfaction with their party. Will the so-called leaders of the Republican party terrorized by the threats and hypnotized by the promises of Coxism—the *Indian in politics*—invite a like stay-at-home vote in our party in '95? Will we repeat 1889 in 1895? The machine has no use for any man who refuses to kiss its feet and endorse all of its methods. Its policy is to rule or ruin. Its terrorism and hypnotism are appalling. What claims do any of its men possess on the Republican party in Ohio, that warrants it in carrying the party to probable defeat? It is possible that the deep-seated disgust of the people with the inefficiency and incompetency of the Democratic party in national affairs may enable the Republican party in Ohio in 1895, to run the risk of carrying this machine, obnoxious as it is with

its candidates and methods. Personally, I am opposed to that risk.

I know that some of the papers of my party in this state will assail me as a disturber and a mischief maker, while either refusing to give my reasons or mis-stating them. I care for none of these things, nor for the cuckoos and tactics of Coxism. This letter is written without consultation with any person. No man except myself is directly or indirectly, in any sense, responsible for its sentiments. It is the utterance of one who believes in the Republican party, but who refuses, under the cry of harmony, which means submission to an obnoxious and abhorrent machine, under the cry of "peace," when there is no peace, to sacrifice his independence and self-respect in endorsing, approving or consenting to the machinery of the Republican party in the State of Ohio, becoming what it is in the City of Cincinnati, an unadulterated, obnoxious COXISM.

Yours respectfully,

THOS. McDOUGALL.

Cincinnati, Feb. 15, 1895.


The Ohio State University



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REPUBLICAN PARTY IN OHIO

THE OHIO STATE UNIVERSITY BOOK DEPOSITORY



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